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ABSTRACT

As part of a series prepared to acquaint small community officials with information on the latest community related research findings at the University of California at Davis, this monograph explicates the way in which tax structure, rural development assumptions, and even rural development policies and subsidies contribute to the inequities found in rural America. Among the major points made are: (1) the tax structure is such that corporations can derive investment subsidies without benefiting the community, for they can locate in an area without hiring local people, circumvent local tax laws, and delay tax payments; (2) property taxes are hardest on the local home owner, because the property tax is regressive and does not cover intangibles; (3) programs for rural expansion, recreation developments, and second home takeover result in loss of agricultural lands, inflated prices, and adverse environmental effects; (4) the capital gains tax encourages reckless land use planning by putting a premium upon assets held for a minimum time; (5) agricultural subsidies perpetuate income inequities, for non-farmers in large income brackets find it profitable to farm at a loss so as to gain a tax shelter, thereby presenting unfair competition to farmers farming for a living; (6) research has been technologically, rather than people, oriented and has contributed to the displacement of human beings. (JC)

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SOURCES OF INEQUITIES IN RURAL AMERICA

IMPLICATIONS FOR RURAL COMMUNITY DEVELOPMENT AND RESEARCH

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and

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1976

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Community Development Research Series

Department of Applied Behavioral Sciences

University of California, Davis

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Preface

The purpose of this series is to provide small community officials with information on the latest community related research findings of University of California, Davis, researchers. The Community Development Research Series is funded by a special grant from the Regents of the University of California.

The series does not attempt to provide answers to every community's problems, rather, the attempt is to provide information leading to another view of the problems uniquely faced by small communities.

An earlier version of this paper was presented at the Rural Sociological Society Meetings in Montreal, August 1974. The paper was initially prepared while participating in Western Regional Research Project W-114, "Institutional Structures for Improving Rural Community Services", and, "The Social Implications of Research Project", at the University of California, Davis. The W-114 project is summarized in "Delivery of Rural Community Services: Some Implications and Problems." New Mexico State University, Agricultural Experiment Station Bulletin 633, July 1975. Support provided by Agricultural Experiment Station in both projects is duly acknowledged.

Researchers examining rural community problems have directed considerable attention to the inadequacies of rural services. Bad housing, poor education, insufficient jobs, lack of capital to start a business, and inadequate health care have been repeatedly identified as requiring attention. However, the improvement of rural services may not get at the cause of the problems, as problems can be manifestations of something more basic. As with all problems it is important to distinguish between the symptoms and the causes. For example, it has been fashionable to attribute problems of rural poverty to the lack of resources, education or incentive. Instead, our tax structure, assumptions about how rural development should take place, and the very policies and government subsidies instigated to aid rural development may be, in themselves, contributing causes. This distinction between symptoms and causes is the key to examining implications of various policies toward rural communities.

Observers have been pointing to the increasing concentration of land and corporate involvement in American agriculture, linking this trend with negative consequences for rural communities. Despite numerous programs and policy statements concerning the preservation of family farms, development of rural communities, and decreasing the gap between rural and urban sectors, certain factors work to the detriment of rural communities.

THE TAX STRUCTURE AS CONTRIBUTOR TO RURAL PROBLEMS

One of the factors behind inequities in rural areas is the tax structure. In the name of rural development, corporations are encouraged to settle in rural regions. Some states try to attract industry through tax and financial incentives, but, the investment subsidies can be taken without proportional benefit to the area's residents. Corporations can locate in a community without giving jobs to the local people, circumvent local laws on taxation and delay paying taxes. Of 4,000 new jobs created by one Chrysler plant in West Virginia, only 600 went to local workers. Of some 8,000 jobs created in Indian reservations by federal subsidies in past years, Indians got less than half of the jobs, which were mostly lower paying at that!

In some counties it is better business for companies not to pay property taxes on time because accrued penalties on the delinquent tax are considerably less than profits realized by investing amounts which should have been paid as taxes. Another problem is the rampant underassessment of land. A 1967 study by the Pike County, Kentucky, School Board found forty to sixty percent of the county's land either unlisted or underassessed. The schools had a deficit of almost $113,000 and 45.3% of the people were below the poverty level. At the same time, $65 million worth of coal was hauled out of the county.[2] A Maine study showed that the state had been losing over one million dollars annually in property tax revenues because its timberlands were underassessed. In Texas, "a 1970 study of oil and gas properties by Texas University law students in Ector County, Texas, found that producing properties were undervalued by about 56%, and that non-producing property which Texaco had leased for $460,500 was not on the assessment rolls at all."[3]

When property taxes are collected, they fall hardest on the local homeowner. The percentage of family income spent on property taxes, by different income brackets, looks like this:

Family Income ($)	% of Income spent on property taxes
2,000	16.6
4,000	7.7
6,000	5.5
10,000	4.2
15,000	3.7
25,000	2.9

This is because the property tax - vital to rural areas for the provision of services - is a regressive tax. Unlike the income tax, the property tax is not

graduated. Also, due to special interest group pressure, the property tax applies almost exclusively to real estate property. In the past, the tax applied equally to personal, tangible, and intangible property. Few states and localities tax intangibles such as stock, bonds, and notes. Thus, poor and lower income families whose property consists mainly of their homes (often mortgaged) pay tax on almost all of what they own. In contrast, wealthier people have holdings including many intangibles that are not taxed.

ASSUMPTIONS ABOUT WHO RURAL DEVELOPMENT BENEFITS

Less obvious, but equally exploitative, are programs for rural expansion, recreation development, and second home take over. A visible result of expansion into the rural areas is the loss of agricultural land...this loss is related to our property tax system. As cities expand into rural areas, city residents are willing to pay high prices for residential plots. Consequently, land values jump. Agricultural land is taxed not on its current usage, but rather on its going market value. Thus, agricultural lands surrounding urban areas go up in value - not because of farming - but due to urban expansion. As land is sold, the market value and property tax of neighboring farms increase, making it more difficult for those on the land to remain.

Recreational and second home development schemes result in adverse effects for rural resudents. The urbanite looking for outdoor recreation and weekend, vacation, summer or retirement homes may get what he wants. The developer gets his business and profits. The rural inhabitant, however, often gets higher prices and taxes... his say in local government is eroded or lost. Additional adverse environmental effects such as the lowering of the water table can jeopardize the agricultural base surrounding rural communities. Another effect is the cycle of waste associated with development schemes. "Sprawl" is recognized but other rural problems often are not; increased energy usage related to the increased distance from home to core work areas; increased pollution aggravated by increased private travel in the absence of mass transit; increased use of natural resources as building materials; and, increased takeover of agricultural lands on which to place these structures. Related to all this is the issue of land speculation encouraged by the capital gains tax. This system of taxation encourages a kind of reckless land use planning, since people buy land with an eye towards profit rather than as stewards of the land. Under this tax, assets held for a minimum time are taxable at half the rate of the individual's income bracket.

Even attempts to rectify such inequities end up reinforcing the way the system is stacked against rural people. For example, the State of California passed the Land Conservation (Williamson) Act of 1965 in an attempt to curtail the loss of agricultural land to urban sprawl. In contrast to the property tax, the basis for appraisal of land under the Williamson Act is the use to which the land was being put, rather than on its current market value. This would reward those willing to commit their land to agricultural usage for a given period of time by providing tax relief.

However, a cancellation penalty, which can be waived if the action is considered to be for the public good, affects the Act's intent to equally benefit all farmers, small and large alike. The increase in land value, subject only to the capital gains tax, would more than offset the penalties. Despite compensatory provisions by the state, many rural counties have lost a great deal of revenue vital to the provision of many rural services - particularly taxes needed for quality education. While large absentee agricultural and timber concerns are not affected, local inhabitants and their school districts are.

AGRICULTURAL SUBSIDIES: PERPETUATING INCOME INEQUITIES

One subsidy that makes agriculture attractive to non-farm interest is associated with the concept of "tax loss farming", which uses agriculture as a "tax shelter"; critics call this "farming the public treasury." This permits individuals,

especially non-farmers, to harvest tax benefits. This is comprehensively detailed in Sowing the Till: A Background Paper on Tax Loss Farming by Jean Dangerfield.

Non-farmers, such as doctors, lawyers, governors, and non-agricultural corporations go into farming because it pays, ironically, by enabling them to "lose money". For example, the Internal Revenue Service figures for 1965 show the following: Individuals with $1 million or more income - 119 engaged in farming with 103 writing off farm losses; $500,000 to $1 million - 202 in farming with 170 reporting farm losses; $100,000 to $500,000 - 3,914 in farming with 2,874 reporting farm losses; $50,000 to $100,000 - 12,398 in farming with 7,424 reporting farm losses; $20,000 to $50,000 - 69,132 in farming with 30,380 reporting farm losses; $15,000 to $20,000 - 66,003 in farming with 23,843 reporting farm losses.

The Government also had data on the 17,578 corporations reporting farming as their principal business in 1965. The figures showed these corporations had $4.3 billion in gross receipts in the most recent tax year - roughly 10 percent of total U.S. farm gross income. Yet, only 9,244 reported a profit for tax purposes. And, the taxable income involved totaled a mere $199 million.

If so many are reporting losses, especially in such high income brackets, what makes agriculture such good business for non-farmers?

First, there's a bookkeeping advantage...farmers are allowed to use the "cash accounting" as opposed to the "accrual accounting" method. Originally designed to help small farmers with their bookkeeping, it is now being used by investor farmers to shelter their money. It works like this: individual taxpayers use cash accounting for filing tax returns, while corporations use the accrual method. In the accrual method, sales and expenses are effective when the merchandise changes hands; while in cash accounting, the transaction is completed when cash changes hands. Inventories are not required. Thus, a farmer buying feed in December can deduct the cost for that year, although it will not be delivered until the following year. Accrual accounting does not allow the deduction until delivery. The advantage of cash accounting is that it allows a deduction of expenses against high non-farm income. As Dangerfield points out:

> This lets him postpone paying taxes on that percentage of his income equivalent to the amount of his farm deduction. In effect, he gets an interest-free loan from the government. When the product is finally sold and profit realized, the public's interest-free "loan" to the investor can be extended if the investor chooses to reinvest his profits in another farm venture.

There are more advantages. The subsidy received due to the investor's tax loss is in proportion to his tax bracket. This means the average farmer paying 20% of income in taxes could save only $200 on a $1,000 feed bill, while an investor in the 50% bracket saves 500 dollars. Or, looking at it another way, the investor pays $500 for $1,000 of feed versus the $800 paid by the farmer. Also, the investor can reinvest profits on final sales in other tax shelters. The real farmer depends on profits from final sales for his livelihood and must pay taxes on them. The investor farmer does not really have to profit in farming. Thus, by losing, he still wins. The farmer doesn't have this advantage and yet is forced to compete against those individual and corporate interests which do.

"Capital gains" and accelerated depreciation also work to the unfair advantage of the investor. Under the Revenue Act of 1942, farm assets such as livestock, trees, and vineyards are subject to capital gains treatment, as are land sales. This means they are taxed at half the rate of the owner's income tax bracket. As with cash accounting, the higher the tax bracket, the bigger the gain. Non-farmers can invest for a period of time in a farm venture - and apply capital gains treatment as part of their total investments, insuring profit and possession which capitalize on capital gains, while the real farmers would have to sell their means of earning a livelihood in order to enjoy capital gains treatment.

The accelerated depreciation rule also permits investors to take advantage of programs intended for real farmers. The rule can be used to quickly depreciate

real property and cattle bought to build up a herd...this amount is then deductible from taxable income.

Thus, current tax laws encourage the investors to seek tax shelters in vineyards and orchards, or in breeding herds, as they are reaching maturity. The cost of capital assets can be recovered through depreciation, while capital expenditures are fully deductible. Accelerated depreciation sweetens the operation, while investment credits and land improvement deductions aren't bad either. And, before production even begins, they can be sold off subject to capital gains. All the while, the investor uses the cash method of accounting rather than the accrual.

Additional subsidies that make farm land purchases so attractive include tax deductions allowed for soil and water conservation and land clearing. As land values do not seem to be going down, these deductions make land speculation and weekend homes even more attractive to the high bracket taxpayer. Limited partnerships, contractual arrangements with agencies specializing in farm management services, and personal investments are ways in which one can become an investment farmer. This kind of opportunity is generally not possible for residents trying to make a living as real farmers.

Investors farming for a tax loss offer unfair competition to farmers farming for their living. Large plantings for tax purposes increasingly put independent farmers out of business. As in the case of the broiler industry, corporate entry into agriculture has made previously independent producers mere sharecroppers for large companies such as Ralston Purina. Once independents are out of the picture, consumers will face the consequences of increased concentration of control in agricultural production, processing, and marketing: the rhetoric of lower prices will ring hollow when matched against the tyranny of prices being set at will by the selected few vertically integrated companies that will control each commodity.

Senator Gaylord Nelson, chairperson of the Senate Subcommittee on small business, expresses his concerns regarding the effects of concentrated control:

> There is evidence that much of this country's corporation farming is a nearly invisible type operation aimed at control of farm commodities at the producer level and bypassing of traditional markets rather than direct operations of farms and ranches.
>
> This is achieved through contracts with producers, plus some actual ownership and operation of feedlots and similar facilities. One common characteristic is that little or no corporation-owned land is involved.

But, assessing the impact of big money is extremely difficult as it is very hard to obtain accurate and complete data. Not all ventures must file with state or federal agencies. There is no information about acreages subject to this new type of "farming"...nor is there information on livestock managed by tax shelters.

SUBSIDIES THAT FAVOR LARGE PRODUCTION UNITS OVER SMALL

Similar to the effect of our tax policies, subsidies on resources such as water, grazing lands, crops and research tend, also, to be geared more to the best interests of corporations than to rural community concerns.

The availability of cheap water is critical for agriculture. However, the corporate thirst for water is obtained at considerable public expense. Boeing Aircraft, which owns 100,000 acres in eastern Oregon, has been using the public water of the Columbia River for irrigation purposes. Similar actions have been declared illegal. But, in California the federal government has not followed up on favorable rulings to prevent usage of federally financed irrigation project waters on lands which exceed the 160-acre limitation of the Reclamation Act of 1902.

To avoid the hassles and bad publicity, corporate interests have been able to secure legislation which legally allows them to have access to publicly financed water projects which, in effect, subsidize their operations, such as through the California State Water Project. The east side of California's Central Valley receives irrigation water from the Bureau of Reclamation's Central Valley Project,

whose waters are subject to the Reclamation Act of 1902, limiting delivery of water to any single landowner to 160 acres. Although the federal government was willing to extend the project to the west side, the landlords of the west side blocked and substituted it with the California State Water Project.

At the time the California Water Plan was placed on the 1960 ballot, west side landowners included:

Standard Oil of California	218,000 acres
Other oil companies, combined	264,000 acres
Kern County Land Company	348,000 acres
Southern Pacific Railroad	200,000 acres
Tejon Ranch Company	348,000 acres
Boston Ranch Company	37,000 acres

A 1959 study by the California Labor Federation reported that 33% of the land to be irrigated was owned by 11 landowners.[9] The biggest donors to the successful 1960 campaign for the project's bond issue were Southern Pacific and Tejon Ranch. A powerful supporter was the Los Angeles Times owned by the Times-Mirror Corporation which controls Tejon Ranch. The biggest bondholder is the Bank of America.[10]

Although the most optimistic estimate of the bare minimum cost of the project was $2.5 billion to insure the bond issue's passage, the cost was understated at $1.75 billion. The Ralph Nader Task Force Study, Power and Land in California, calculated the figure to closer to $10 billion. Project water will be delivered to the west side of the valley at the mere cost of transportation. This amounts to a 90% discount - a substantial subsidy from individual California taxpayers to the west side's agricultural giants. And, when the time is right, the land can be sold at values vastly increased due mainly to the presence of water made possible by the public. Furthermore, the capital gains tax can be applied to the land sold, which leaves more for the landowners and less for the public coffers.

Corporations are also involved in acquiring water resources from federally funded water projects for expanding mining operations. The American Natural Gas Company, with 1.9 billion tons of coal reserves in North Dakota, plans to build 22 gassification plants for which it seeks to reserve 375,000 acres feed of the Missouri River. In January 1971, the Bureau of Reclamation approved contracts to supply water from Big Horn Lake for the operations of Gulf Mineral Resources, Peabody Coal, Panhandle Eastern Pipe Lines, Ayshire Coal, Shell Oil and Westmoreland Associates in Montana and Wyoming.[11]

Federal subsidies also apply to grazing lands. Grasslands in the National Forest and the Taylor grazing lands are leased out as low as one-tenth the cost of privately owned lands. Eleven percent of the permittees lease 75% of the Bureau of Land Management forage at a cost of 30¢ a month per acre, signifying again the concentration of beneficiaries.

Another widely known subsidy concerns crops. A basic idea behind the soil bank program for subsidizing crops is to take acreage out of production in order to prevent surpluses. The program, itself, is huge. Federal crop subsidy programs cost the taxpayers more than all federal, state, and local welfare programs combined. Intended to benefit small operators, the biggest share of these subsidies now go to large corporate bodies. For example, Tenneco received over a million dollars in crop subsidies in 1970 while J. G. Boswell received $5 million to grow, but not to grow cotton. Despite recent limits placed on subsidies, the formerly large beneficiaries continue to obtain huge subsidies through a system of leasing out their soil bank allotments.

With the increased emphasis on capital and technologically intensive approaches, advantages of subsidies accrue to those who already have positions of leverage. This can also be said of the government subsidy that exists in the form of agricultural research. Hard Tomatoes, Hard Times, completed in 1972 by the Agricultural Accountability Project under Jim Hightower, criticized the Land Grant System for failing to address questions that concern the quality of life of rural people

in America. Hightower documented how the major portion of the $341 million allocated to 50 state Agriculture Experiment Stations in 1970 went to benefit those already in positions of advantage.[12] Furthermore, when industry contributes money, it is able to get greater mileage from these research dollars. By giving small donations for research, it secures research and facilities without the cost of full time permanent salaries, equipment purchase, and plant maintenance.

However, a claim is made that research is natural, value free, without intent to benefi one group over another, and that findings are available to all. This disregards the fact that not all farmers can afford to implement recommendations that come with the current research orientation for a capital and technologically intensive approach. Not every farmer can afford a $30,000 tomato harvest. This reveals a bias toward bigness and a policy choice implying that bigness, concentration of resources, vertical integration and increased use of energy intensive approaches is the preferred policy. Furthermore, very little attention is given to the consequences of such policy, especially for rural people and their communities.

However, this stress on bigness contradicts USDA's own research findings as reported in Economies of Size in Farming by J. Patrick Madden. The study in Economic Research Service's Agriculture Economic Report No. 107 addresses itself to the relationship between farm size and efficiency of production. The widely held opinion by USDA officials, agri-business officials and Agricultural Experiment Station administrators is that efficiency is consonant with size of operation. However, in case after case, Madden found that economies of scale could be achieved equally well on smaller acreages run as one and two man operations.[13]

The emphasis on capital and energy intensive approaches to agriculture and rural development poses many other important questions. What has been the social consequences of mechanization? What has happened to the labor scene? Where did the displaced go? Who got displaced? What has been the cost in social welfare? Agri-business and the land grant college researchers have heretofore claimed that such innovations save the consumer money, without adding that it is the same consumer who, through his tax dollars, must pick up the welfare cost for the very same workers displaced by technology developed without thought of the social consequences. Who benefits in the long run from this, and who pays the price? Have food prices come down as claimed? Curiously, food prices rarely go down. Cost of living index shows that while farm prices have decreased consumer prices have increased. Who is benefiting and what is the relationship between USDA/AES research and groups that have benefited most from the continuing rise in food prices? Conversely, what would happen if the researchers tackled issues raised by publics with alternative approaches to rural community development?

OTHER PUBLICS AND OTHER QUESTIONS

The previous discussion reviewed policies such as our tax structure, assumptions about rural development and advantages given to investors that detrimentally affect the competitive position of rural people. Also discussed, were subsidies intended to benefit rural people but which now benefit others more. All of this suggests that we need to re-examine many of the solutions suggested for rural development including assumptions behind established policies.

Also, the very institutions set up to examine these questions concerning the welfare of rural people have, themselves, been found askew. Either by default or misplaced emphasis, current efforts appear to aggravate rather than alleviate the situation for rural people. In a search for alternatives, a conference was held in June, 1973, at U.C. Davis on "Redirecting Research Priorities". This brought together representatives of groups, such as farm workers, organic farmers, consumer cooperatives, small farm organizations and scientists concerned about a more ecologically accountable approach to agriculture. A sampling of their suggestions and concerns are summarized here.[14]

Wendell Lundberg of the California National Farmers Organization observed: "Efficiency has been applied to the wrong thing - not to people oriented efficiency but money type efficiency - what can make the most dollars, not what is best for people." Others elaborated on this theme stressing the necessity of putting

research that concerned improving not just efficiency, but the general quality of life as well. There was an underlying theme that the prime concern shared by all was not just with economic development but a concern to improve the quality of life with respectful consideration for environmental and human resources.

Jim Horgen, then research director of the United Farm Workers conveyed the general mood of those attending the conference through these words: "...we don't object to efficiency in agriculture. But we do reject irresponsible efficiency which gives no care for the lives of the farm workers, who,like the growers, make their living in agriculture. Research should be done to promote jobs--not eliminate employment. The public's money should be used to benefit the public."

Jerry Kresy, representing the Consumers Coop of Berkeley suggested valuable work could be done by the University on topics such as: techniques for small farming; urban gardening - how to grow food on city lots, what plants would grow best in urban areas, what tax and environmental benefits would accrue from city lot growing; developing tools that are not dependent on fassil fuels could be peddle powered using modern gearing systems and light metals; pilot programs on urban land use for farming in different types of cities, including the use of sludge for fertilizer, and waste water for irrigation.

He also suggested examination of consumer concerns about the influence of various food related bodies such as crop advisory boards and the retail and wholesale business on farmer receipts and consumer prices.

Various scientists in attendance voiced the validity of researching topics suited to a more ecological approach to agriculture. There was a call for research into alternative energy sources such as methane and energy conservation. Professor Robert Van den Bosch, of the Division of Biological Control at U. C. Berkeley, suggested, "We should begin building a backlog of techniques that do not require large energy inputs if the species is to survive. The government should support the research of organic gardeners instead of working solely on how to grow a more efficient rutabaga."

In addition to alternative production questions, marketing and food handling problems of small farmers were identified as important areas to understand. The President of the California Certified Organic Farmers observed that: "Everything has been oriented around such large quantities that the small grower can't process his own food and this is where it is at. If the grower can deliver his product prepared for the market, then, he will get his share of the wealth in return."

Also suggested, were examination of the impact of policies such as those discussed earlier in this paper: What is the social implication of land grant college research? What is the impact of corporations on the quality of life in rural areas? What is the impact of vertical integration on the consumer? How does the unfair competition farmers face from investors affect the consumer and the rural community?

THE BROADER IMPLICATIONS OF RESEARCH

The conference was held about the same time the National Academy of Science released the Pound report on the quality of agricultural research. The report called to task the limitations of the knowledge generated about the welfare of rural people. Scientists, whether physical, biological, or social, have not considered the consequences of the agricultural revolution nor challenged the assumptions about rural development mentioned earlier in this paper--nor have they realized the extent to which current policies (meant to solve rural problems) have actually aggravated the condition in certain instances.

There is more to understanding the rural scene than finding solutions to certain symptoms. Challenging questions emanate from the social consequences arising from the agricultural revolution and the structure of society, itself. The research process is, itself, part of the structure. In the case of research in the Land Grant System, the benefits have not only gone predominately to one type of public, but, more seriously affected other publics in a detrimental way.

One reality that needs to be recognized is that research, itself, can be political in terms of whom it benefits. In their analysis of the work of the Agricultural Accountability project, Nolan and Gallaher suggest that researchers who do not critically examine the social institutions that sponsor and use their research findings are "in effect, advocating the position of the sponsors and users. If questions of advocacy are not raised, they are, in effect, answered; namely, that research should benefit those who pay the bills".[15]

To enlarge on examining the social implications of research, it would be well to ask: "To what extent is research done by the land grant system, which includes the University of California, contributing to, or creating, rural problems? To what extent and for whom is it a factor in promoting rural underdevelopment as well as development?

The causes of rural problems discussed here have not gone without notice. Various groups have formed public education campaigns, lobbying efforts and research and demonstration projects to deal with the inequities mentioned here.

Among the more active groups include the National Sharecroppers Fund which has organized farmer cooperatives in the South; Rural America Inc. organized to spotlight the issues of importance to rural America; the Agri-business Accountability Project whose research writings have called attention to the short comings of the Land Grant College System, The Russian Wheat deal, Agri-business cooperatives and tax-loss farming. The problems of water subsidies and land reform have drawn the energies of Friends of the Earth and National Land for People.[16]

Several government agencies and key legislative committees command notice for their efforts on some of the issues mentioned here. In California these agencies include the Energy Resource Conservation and Development Commission, California Coastal Zone Conservation Commission, Air Resources Board, Agricultural Labor Relations Board, the Office of Planning and Research, the newly formed Office of Appropriate Technology, and the Departments of Food, Agriculture, Housing and Community Development.

SUMMARY

In this brief discussion, we have tried to point out the difference between symptoms of rural problems and the causes. Some of the problems we see may be manifestations of policies initially promulgated in the best interest of rural people, but, because of various loopholes, now ironically work against the best interest of rural people. We also suggest that things not be taken for granted, including the notion that all research has positive effects or is value neutral. Instead, there is need to attend to unforeseen consequences which merit more serious thinking--something we will need to do more of in the future.[17] Also, there is more to rural development than just economic considerations. Rural development and agriculture need to be ecologically and socially accountable as well.

Lastly, what comes home is the inter-relatedness of events and situations. The rural scene is very much affected by what is outside the rural area. Though there is some utility to the rural label, there is as much validity in working with the premise that we are all inhabitants of a global village where urban problems are linked to the rural, and the rural linked to the urban with international policy affecting the domestic rural and urban situations. By looking more seriously at the causes and consequences of the changes affecting rural America, we can move more intelligently to involve the resources of the University and people concerned with the constructive development of rural areas.

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